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FISCAL IMPACT STATEMENT

LS 6202

BILL NUMBER: SB 409

NOTE PREPARED: Jan 1, 2011

BILL AMENDED:

SUBJECT: Gasoline Tax and Special Fuel Tax Distributions.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that revenue generated from one cent of the state Gasoline Tax shall be paid into the Supplemental School Distribution Fund and distributed to school corporations. (This revenue is currently transferred to the State Highway Fund.)

The bill also provides that \$10 million of the first \$25 million in special fuel tax revenue collected shall be paid into the Supplemental School Distribution Fund and distributed to school corporations. (This revenue is currently transferred to the Indiana Department of Transportation.)

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Department of Education (DOE):* The bill directs the DOE to establish and administer the Supplemental School Distribution Fund. The expenses of administering the fund shall be paid from the fund. The Treasurer of State shall invest any funds not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Money in the fund would be continuously appropriated to make the distributions required by this bill and would not revert to the state General Fund at the end of the fiscal year.

Within 45 days after the end of each calendar quarter, the Auditor of State would distribute money in the fund to the general fund of each school corporation based on the percentage of the total state tuition support the corporation received in the previous calendar year. The money distributed to each corporation would not be considered in computing its state tuition support.

The bill's requirements on the DOE, Treasurer of State, and Auditor of State are within the agencies' routine administrative functions and should be able to be implemented with no additional appropriations, assuming

near customary agency staffing and resource levels.

Department of Transportation: Under current law, the revenue generated from one cent of the state Gasoline Tax is allocated to the State Highway Fund (approx. \$30 M in FY 2010). Additionally, \$10 M from the Special Fuel Tax is allocated to the Indiana Department of Transportation.

Under this bill, beginning in FY 2012, the revenue from these two sources (a total of approximately \$40 M in FY 2010) would be transferred to a supplemental school distribution fund administered by the DOE. As a result, the amount of revenue allocated to the Department of Transportation and to the construction, and maintenance of the state highways and of tollways under its jurisdiction would be reduced by this amount.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Beginning in FY 2012, this bill would transfer funding from state highway and road maintenance activities to school corporations (*see Explanation of State Revenues*). Based on FY 2010 revenue collections, the total amount transferred to schools would be approximately \$40 M.

State Agencies Affected: Dept of Education; Dept of Transportation; Treasurer of State; Auditor of State.

Local Agencies Affected: School corporations.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations.*

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